

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
OCTOBER 21, 2013**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, October 21, 2013.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Rick Stradtner – Vice Chairman
Doug Schulte – Secretary
Ken Sendelweck – Electric Commissioner
Alex Emmons – Wastewater Commissioner
Dave Hurst – Water Commissioner
Keith Masterson – Gas Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Ernie Hinkle – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Ashley Kiefer – Office Manager
Renee Kabrick – City Attorney

PLEDGE OF ALLEGIANCE (DVD-00:36)

Chairman Wayne Schuetter led the Pledge of Allegiance.

QUOTE OPENING: SEWER RELINING – WASTEWATER (DVD-01:00)

Ed Hollinden stated that three requests for quotes were sent out but only two quotes were received. Bud Hauersperger opened the quotes and read them aloud as follows:

- | | |
|---|--------------------|
| 1. Layne Inliner, LLC
Orleans, IN | \$270/ linear foot |
| 2. Insituform Technologies USA, LLC
Chesterfield, MO | \$204/ linear foot |

All the quotes included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility.

Alex Emmons made a motion to give Hollinden permission to proceed with Insituform Technologies, for the low quote amount of \$204/ linear foot, if all specifications are met. Rick Stradtner seconded the motion. Motion approved, 7-0.

APPROVAL OF MINUTES (DVD-06:21)

Chairman Wayne Schuetter presented the minutes of the September 13, 2013 Joint Executive Session, the September 16, 2013 Regular Meeting, and the September 24, 2013 Special Meeting and there being no corrections or amendments, asked for a motion to approve the minutes. Doug Schulte made a motion to approve the minutes of the September meetings as presented. Keith Masterson seconded the motion. Motion approved, 7-0.

VINCE SOMMERS & AL STONG FROM COMMONWEALTH ENGINEERS-INTRODUCE NEW PRESIDENT & UPDATES FROM COMMONWEALTH (DVD-06:56)

Vince Sommers introduced himself and Al Stong, the new president of Commonwealth Engineers, to the Board. Sommers and Stong are traveling the state of Indiana, on behalf of Commonwealth Engineers, visiting existing and past clients. Stong informed the Board that he helped design the Water Treatment plant, and Commonwealth was involved in the design of the Wastewater plant in Jasper. They wanted to let the Board know that they appreciate the past business from the City and that they look forward to the opportunity to work with the City in the future.

JASPER CLEAN ENERGY MONTHLY REPORT (DVD-10:00)

Bud Hauersperger explained the Jasper Clean Energy monthly report for September to the Board. He stated that there had been no changes in the report from last month. Jasper Clean Energy is still looking for potential buyers for power purchase agreements.

ELECTRIC PLANNING COMMITTEE REPORT (DVD-11:08)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the Committee did not meet during the past month.

APPROVAL TO REQUEST QUOTES FOR WATER CHEMICALS FOR 2014 (DVD-11:15)

Ernie Hinkle asked for the Board's approval to request quotes for the water chemicals for 2014. Keith Masterson made a motion to approve Hinkle's request to send requests for quotes for the water chemicals for 2014. Alex Emmons seconded the motion. Motion approved, 7-0.

APPROVAL TO REQUEST QUOTES TO REPLACE TRUCK #10 WITH SUV (DVD-12:34)

Hinkle asked for the Board's permission to request quotes to replace truck #10 with an SUV instead of a truck, which was listed in the Capital Expenditure Plan. The SUV will work better for traveling to training seminars. Hinkle stated that the cost of the SUV should be similar or lower than the \$26,000, which was allocated for the truck in the Capital Expenditure Plan.

Dave Hurst made a motion to give Hinkle permission to request quotes to purchase an SUV instead of a truck to replace truck #10. Rick Stradtner seconded the motion. Motion approved, 7-0.

VARIOUS PROJECT UPDATES (DVD-13:59)

Hinkle informed the Board regarding numerous projects updates. The Southside and Newton Street water towers and the two clearwells have been inspected. Hinkle is waiting on the reports and the invoice. The price for the inspection should be less than last year, which was \$20,000. This year a new company was used, and instead of using a diver to take the video of the tanks, they used a robotic camera. The quality of the inspection and video will determine if this company is used again in the future.

Hinkle stated that the Northside tower is in the process of being drained and will be inspected soon. Sandblasting and repainting of the clarifier weirs will be postponed due to the closer examination. Hinkle said that they can spray the weirs with a pressure washer and repaint the weirs themselves, saving a lot of money and getting the same results. Also, the repainting of the lime silo is complete and cost \$6,270.

Hinkle also informed the Board that the Oracle chemical, which is used to help clean the mains, is having a paper trail problem with IDEM. A construction permit had to be requested to use the chemical. The approval for the permit will take 35 days; we should know something regarding the permit around the first week of November. The chemical will be introduced into the water system slower than planned, but Hinkle feels it will help the system.

The gas odorizer has been installed at the ANR station and is operational. This unit is the same odorizer that was installed at the Texas Eastern station. Using the same kind of unit will cut costs for repairs and maintenance.

Hinkle commended two of his employees, Mike Cravener and Steve Wampler. Several weeks ago a residential gas odor complaint was called in. These two employees followed all the proper procedures and found the gas shut off at the resident's home immediately. The resident was very impressed and wrote a thank you note to the Gas department and the Mayor.

Hinkle also stated that the 3rd Avenue Water project should start the first week of November.

GAS PLANNING COMMITTEE REPORT (DVD-18:47)

Keith Masterson, Chairman of the Gas Planning Committee, stated the Committee did meet on October 10, 2013 to discuss a compressed natural gas filling station. Jasper Clean Energy will be installing a compressed natural gas filling station, if the project comes to fruition, to fuel their vehicles along with City vehicles. Meyer Distributing has also expressed interest in a CNG filling station.

The Committee discussed the need or market for a local public CNG station. There are several CNG filling stations located throughout Indiana, in Evansville, Vincennes, Indianapolis, etc. Jasper would be another good location, based on where we are located in conjunction with these other stations.

Chairman Schuetter stated that the estimates on building a CNG filling station are anywhere from \$10,000 to \$2 million. Some market research would need to be done to see if there would indeed be a market to sell the CNG fuel. There was also a suggestion to investigate interest in a public/private partnership to build and run a CNG filling station. The Committee agreed that it would be a very valuable economic development tool to have a CNG filling station in the City.

It was noted that a couple of advantages to using CNG is that CNG burns much cleaner than gasoline and at this time CNG is cheaper. The Committee agreed that more research needs to be done regarding the CNG filling station. Another Committee meeting will be held on Monday, November 4th at 8:00 AM in the Pfaffenweiler Room at City Hall to review their findings.

WATER PLANNING COMMITTEE REPORT (DVD-23:00)

Dave Hurst, Chairman of the Water Planning Committee, stated the Committee did meet on October 17, 2013 to discuss the Beaver Lake Dam report from Morley and Associates and a secondary pool on the Patoka River.

Morley and Associates researched many past reports and surveys and found several differences and discrepancies over the years that could have contributed to the 9 to 12 inch difference in the normal pool level, but found nothing definitive.

According to Morley's Executive Summary, the Corp of Engineers documents indicated that prior to 2010 the channel was the controlling factor in determining the normal pool elevation and not the spillway crest. Since 2010, the normal pool is now controlled by the spillway crest. Morley states that the new spillway was built within 1/8 inch of the old spillway. Chairman Schuetter said that the lake level is where it should be based on the design of the new spillway.

The Committee is concerned about the lower pool level as it pertains to Beaver being the City's backup water supply. The Committee recommends to the Board to research options on raising the water level in the lake and the associated costs, to ensure that the lake holds enough water to serve as the backup water supply.

Many public residents attended the Committee meeting. They still have many questions but they seemed to understand the report from Morley. The residents, as well as land owner's, may be responsible to help pay for some of the project.

The Committee also recommends researching options to build a secondary dam on Patoka River to mitigate drought emergencies, like experienced in 2012. The City is now looking into this option of an immediate backup water supply.

Hauersperger contacted Morley and Associates and Christopher Burke for proposals to do a study on raising the Beaver Lake water levels. Much discussion followed regarding a future management plan for Beaver Lake. When constructed, Beaver Lake was a fifty year lake and it has well exceeded that. The lake needs dredging soon, which will increase its volume. A long term plan for the lake needs to be discussed. Hauersperger will report back to the Water Committee with proposals once received.

CLARIFIER COVER (DVD-36:08)

Ed Hollinden informed the Board that the 2nd Clarifier cover was installed last month.

EMPLOYEES RECOGNIZED (DVD-36:20)

Hollinden recognized a few employees for their years of service; Rick Armstrong: 25 years, Shelly Otto: 30 years, and Mike Wagner: 30 years.

WASTEWATER PLANNING COMMITTEE REPORT (DVD-36:45)

Alex Emmons, Chairman of the Wastewater Planning Committee, stated the Committee did not meet during the past month.

ELECTRIC RATE STUDY PROPOSALS (DVD-36:57)

Hauersperger informed the Board that the last Electric rate study was performed in 2008. The Board likes to perform a rate study every 2 to 3 years. Due to the Power Plant project, this rate study was pushed off for several years, and it can no longer wait. Hauersperger asked Umbaugh and Associates for a proposal.

Umbaugh did the last rate study in late 2007 along with a cost of service study. The cost for both studies was \$50,000. At this time, only the rate study needs to be performed. The proposal for the cost of the rate study is a not-to-exceed \$15,000, which is about the same amount or cheaper than in 2008.

Hauersperger stated that there has been a decrease in the amount of revenue from the Electric department in the past few months. The price of electric has gone up, therefore during the rate study the tracker, which adjusts the electric billing charges each month, will be looked at to make sure it is accurate.

Hauersperger stated that the power plant litigation will have a potential impact on the Electric rates. At this time the Utilities is paying for the litigation through a savings account from the Electric department, which it is draining. All this information will be used in the rate study.

Ken Sendelweck made a motion to approve the proposal from Umbaugh for a not-to-exceed amount of \$15,000 for an Electric rate study. Doug Schulte seconded the motion. Motion approved, 7-0.

FINANCE COMMITTEE REPORT (DVD-42:17)

Doug Schulte reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Dave Hurst made a motion to approve the claims as presented. Rick Stradtner seconded the motion. Motion approved, 7-0.

IRELAND WATER CONTRACT (DVD-42:48)

Attorney Kabrick informed the Board that the Ireland Water contract should be approved at their own meeting tonight. Kabrick hopes to have the contract ready for approval by the USB at the November meeting.

RESOLUTION RECOMMENDING SALARIES & WAGES FOR 2014 (DVD-43:20)

Attorney Kabrick presented Resolution USB 2013-7 to the Board, recommending Salaries and Wages for 2014. Hauersperger stated that wages will receive a 1.5% increase, plus \$10/wk for full time salaried and \$.25/hr for hourly positions. One exception was a range change for Auto Cad/Cable Operator. The range for this position increased \$1.45/hr. This employee also performs easement coordination; he is a jack of all trades. This increase was long overdue.

Hauersperger stated that about three months ago the Board approved Verisight to review 10 Utility wage positions to see if they were comparable to other Utilities. They are still in the process of reviewing contracts with Verisight. They are still planning to go through with the study.

Keith Masterson made a motion to approve Resolution USB 2013-7. Alex Emmons seconded the motion. Motion approved, 7-0.

RESOLUTION RECOMMENDING CHANGES TO THE WATER ORDINANCE (DVD-49:08)

Attorney Kabrick presented Resolution USB 2013-8 to the Board, recommending changes to the Water Ordinance. Several months ago Mike Oeding recommended making some changes to the current Water Ordinance. Attorney Kabrick, Bud Hauersperger, and Ernie Hinkle have all reviewed the changes. The original Ordinance was enacted in 1924 and not amended from there. The Ordinance was just added on to piece by piece. Attorney Kabrick asked that the Board repeal all past Water Ordinances and replace them with one single Ordinance, which can be amended with future changes.

Doug Schulte made a motion to approve Resolution USB 2013-8. Keith Masterson seconded the motion. Motion approved, 7-0.

OTHER BUSINESS (DVD-51:36)

Mayor Seitz stated that he believes that the Utilities and the Civil City have developed an extraordinary amount of synergy between them. Over the past six months economic development has emerged for future employment. Dubois County estimated an addition of 1,000 jobs that will be available, and they are not sure how they are going to fill them. This is a great opportunity. There are lots of positive things happening in the community. Mayor Seitz thanked the Board and Department Managers for the synergy.

Chairman Schuetter then addressed the economic benefits of the Jasper Clean Energy project. This project can be a great economic tool to help keep the costs of electric down for our rate payers. Schuetter stated that he feels the project will also help the City move toward energy independence. Using the funds from the Jasper Clean Energy Center, when it comes to fruition will help with savings, efficiency, and alternative production of electricity for the City of Jasper over the long term, and will have a positive impact for a long time.

There being no further business to come before the Board, the meeting was adjourned at 7:56PM upon motion by Keith Masterson and seconded by Dave Hurst. Motion approved, 7-0.

The minutes were hereby approved X with _____ without corrections this _____ day of _____, 2013.

Attest: _____
Secretary Chairman